

201117044



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Uniform Issue List: 408.03-00

JAN 31 2011

XXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX

SE: T: EP: RA: Ty

Legend:

Taxpayer A	= XXXXXXXXXXXXXXXX
Individual B	= XXXXXXXXXXXXXXXX
Financial Institution M	= XXXXXXXXXXXXXXXX
Bank S	= XXXXXXXXXXXXXXXX
IRA X	= XXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX
Account Y	= XXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX
Account Z	= XXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXX
Amount A	= XXXXXXXXXXXXXXXX
Amount B	= XXXXXXXXXXXXXXXX
Amount C	= XXXXXXXXXXXXXXXX
Date 1	= XXXXXXXXXXXXXXXX
Date 2	= XXXXXXXXXXXXXXXX

Dear XXXXXXXX:

This letter is in response to your request dated June 10, 2010, as supplemented by correspondence dated October 14, 2010, December 7, 2010, and January 11, 2011,

submitted on your behalf by your authorized representative, in which you request a waiver of the 60-day rollover requirement contained in section 408(d)(3) of the Internal Revenue Code ("Code").

The following facts and representations have been submitted under penalty of perjury in support of the ruling requested:

Taxpayer A, age 81, represents that he received a distribution totaling Amount C from IRA X, an individual retirement account described under section 408 of the Code. Taxpayer A asserts that his failure to accomplish a rollover of Amount C within the 60-day period prescribed by section 408(d)(3) was due to an error by Bank S which led to the placement of Amount C in two non-IRA accounts. Taxpayer A also represents that Amount C has not been used for any other purpose.

Taxpayer A represents that when IRA X, maintained at Financial Institution M, matured, he closed the account intending to roll over Amount C into two Certificates of Deposit (CDs) within an IRA with Bank S. On Date 1, Taxpayer A received Amount C from Financial Institution M and deposited the check with Bank S eight days later. Taxpayer A asserts that on Date 2, he communicated to Individual B, a Bank S representative, his intention to rollover Amount C into two IRA CDs. Instead Amount A was deposited into Account Y, and Amount B was deposited into Account Z, regular CD accounts maintained at Bank S. Taxpayer A asserts further that he was not aware of this error until he received a 1099-INT at the end of the taxable year. Documentation submitted by Bank S indicates that a representative of Bank S incorrectly deposited Amount A to Account Y, and Amount B to Account Z, non-IRA accounts.

Based on the facts and representations, you request a ruling that the Internal Revenue Service waive the 60 day rollover requirement contained in section 408(d)(3) of the Code with respect to the distribution of Amount C.

Section 408(d)(1) of the Code provides that, except as otherwise provided in section 408(d), any amount paid or distributed out of an IRA shall be included in gross income by the payee or distributee, as the case may be, in the manner provided under section 72 of the Code.

Section 408(d)(3) of the Code defines, and provides the rules applicable to IRA rollovers.

Section 408(d)(3)(A) of the Code provides that section 408(d)(1) of the Code does not apply to any amount paid or distributed out of an IRA to the individual for whose benefit the IRA is maintained if:

(i) the entire amount received (including money and any other property) is paid into an IRA for the benefit of such individual not later than the 60th day after the day on which the individual receives the payment or distribution; or

(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan (other than an IRA) for the benefit of such individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to section 408(d)(3)).

Section 408(d)(3)(B) of the Code provides that section 408(d)(3) does not apply to any amount described in section 408(d)(3)(A)(i) received by an individual from an IRA if at any time during the 1-year period ending on the day of such receipt such individual received any other amount described in section 408(d)(3)(A)(i) from an IRA which was not includible in gross income because of the application of section 408(d)(3).

Section 408(d)(3)(D) of the Code provides a similar 60-day rollover period for partial rollovers.

Section 408(d)(3)(E) of the Code provides that the rollover provisions of section 408(d) do not apply to any amount required to be distributed under section 408(a)(6).

Section 408(d)(3)(I) of the Code provides that the Secretary may waive the 60-day requirement under sections 408(d)(3)(A) and 408(d)(3)(D) of the Code where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement. Only distributions that occurred after December 31, 2001, are eligible for the waiver under section 408(d)(3)(I) of the Code.

Rev. Proc. 2003-16, 2003-4 I.R.B. 359 (January 27, 2003) provides that in determining whether to grant a waiver of the 60-day rollover requirement pursuant to section 408(d)(3)(I), the Service will consider all relevant facts and circumstances, including: (1) errors committed by a financial institution; (2) inability to complete a rollover due to death, disability, hospitalization, incarceration, restrictions imposed by a foreign country or postal error, (3) the use of the amount distributed (for example, in the case of payment by check, whether the check was cashed); and (4) the time elapsed since the distribution occurred.

The information presented and documentation submitted by Taxpayer A is consistent with his assertion that his failure to accomplish a timely rollover was caused by an error made by Bank S, which resulted in Amount C being deposited into two non-IRA accounts.

Therefore, pursuant to section 408(d)(3)(B) of the Code, the Service hereby waives the 60-day rollover requirement with respect to the distribution of Amount C, from IRA X. Taxpayer A is granted a period of 60 days from the issuance of this ruling letter to contribute Amount C into a rollover IRA. Provided all other requirements of section 408(d)(3) of the Code, except the 60-day requirement, are met with respect to such

XXXXXXXXXXXXXX

Page 4

201117044

contribution, Amount C will be considered a valid rollover contribution within the meaning of section 408(d)(3) of the Code.

This ruling does not authorize the rollover of any amounts that are required to be distributed by section 401(a)(9) of the Code.


No opinion is expressed as to the tax treatment of the transaction described herein under the provisions of any other section of either the Code or regulations which may be applicable thereto.

This letter is directed only to the taxpayer who requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

A copy of this letter is being sent to your authorized representative pursuant to a Power of Attorney on file in this office.

If you wish to inquire about this ruling, please contact XXXXXXXXXXXXXXXX (ID XXXXXXXX at XXX-XXXXXXX. Please address all correspondence to SE:T:EP:RA:T3.

Sincerely,


for Frances V. Sloan, Manager
Employee Plans, Technical Group 3

Enclosures:

Deleted copy of ruling letter
Notice of Intention to Disclose